

FACT SHEET
GOVERNOR'S BUDGET PROPOSALS FOR CHILD CARE AND DEVELOPMENT – FISCAL YEAR 2010-11:
IMPACT ON LOS ANGELES COUNTY REVENUE, JOBS AND SMALL BUSINESSES

Funding from the State of California for a broad variety of child care and development programs and services has created and supported thousands of jobs in Los Angeles County. The income from these jobs is circulated into the local economy, supporting other businesses. Both income and sales taxes generated from these jobs, in turn, help pay for State government.

As with all jobs, there is a multiplier effect. Jobs in the child care and development sector have a direct and intensified effect as it enables parents to obtain and maintain employment. Parents who rely on subsidized child care and development services to work and support their families are at great risk of losing their employment if these essential services are cut or eliminated. Percentage cuts to programs affect hundreds of these families; **elimination of full-time child care and development services and supports will mean thousands of families will lose their employment and will therefore contribute to a shrinking economy and a decreasing tax base.**

Unlike other workforce reductions where workers may be directed to other job opportunities, severely reducing child care and development services essentially freezes many low to moderate income families out of the workforce entirely. Regardless of what the work is, they need child care. This will have the effect of creating greater demands on unemployment funds, welfare assistance, and many County level health and human services such as emergency health care and child welfare services at a time when these services are also at risk of being restricted or eliminated.

Potential impacts of Governor's Budget Proposals in Los Angeles County:

• Los Angeles County revenues eliminated in Governor's revised budget proposal ⁱ	\$835,000,000
• Number of children (0 - 12 years old) at risk of losing subsidized child care ⁱⁱ	98,337
• Number of agencies, organizations and businesses with reduced revenues ⁱⁱⁱ	109
• Number of subcontracting businesses (child care programs, family child care providers, and individuals) with reduced revenues resulting in decreased purchasing power and tax revenues ^{iv}	22,000
• Number of teachers and other child care workers at-risk of losing their jobs ^v	9,952
• Number of management and other support staff at-risk of losing their jobs ^{vi}	1,395
• Number of parents at-risk of losing child care and development services needed to maintain their jobs ^{vii}	73,753
• Amount of income (purchasing capacity and tax base) lost in addition to the reduced incomes/wages of those supported through child care funds ^{viii}	\$1.47 billion

ⁱ Total amount results from aggregating all allocated funds for Child Care Centers (CCTR), Family Child Care Home Education Networks, and California State Preschool Programs (CSPP) (full-time) as documented in the California Department of Education (CDE) CATS Report (August 2009); for the Alternative Payment (AP) Programs, and CalWORKs Child Care Stages 1, 2, and 3 as reported by the Child Care Alliance of Los Angeles; and for CalWORKs Child Care Stage 1 as reported by the Department of Public Social Services.

ⁱⁱ Current average enrollments reported by the Child Care Alliance of Los Angeles (AP, CalWORKs Child Care Stages 1, 2, and 3); and CDE CATS report (August 2009); DCFS enrollment estimated based on costs per child.

ⁱⁱⁱ CDE CATS report (August 2009).

^{iv} Estimate based on number of children served by AP, and CalWORKs Child Care Stages 1, 2 and 3 including centers, Family Child Care Homes (FCCs), and license-exempt individuals (assuming 30 to 50% of individuals are with a license-exempt caregiver).

^v Estimate based on numbers of children served in CCTR and CSPP full time by taking an average ratio of one provider/teacher per eight children; and estimate based on the children served in AP, CalWORKs Child Care Stages 1, 2 and 3 who are not with a license-exempt caregiver, using an average ratio of one provider/teacher per eight children.

^{vi} Reports from individual agencies and calculations for AP and the CalWORKS Stages 1, 2, and 3 based on contract size.

^{vii} Number of children losing child care times 75% to account for multiple children in some families.

^{viii} Number of parents losing child care times an average annual gross household income of \$20,000 per year.